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250-1818
24 Aug 1955

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MEMORANDUM OF UNDERSTANDING

Central Intelligence Agency and Department of Defense

Use of Facilities of Department of Defense to Audit
Contracts Negotiated by Central Intelligence Agency

1. The Central Intelligence Agency desires to utilize the audit facilities of the military departments of the Department of Defense.
2. It is proposed that the Office of the Comptroller, Central Intelligence Agency, arrange directly with the departmental audit agencies for desired audit services, such services to be rendered by application generally of the processes and procedures normal to the conduct of the cognizant department's audit programs at the respective installations, subject to the following terms and security conditions:
 - a. Requests for audit will be initiated by the Office of the Comptroller, Central Intelligence Agency, on an individual case basis.
 - b. Information regarding Central Intelligence Agency interest in contracts or contractors will be released only to personnel of the cognizant department whose security clearance status has been confirmed and approved by the Central Intelligence Agency Security Office under arrangements mutually agreeable to that office and the Security Office of the cognizant department.
 - c. Cleared personnel of the cognizant department assigned to the audit of Central Intelligence Agency contracts will be briefed as to special security precautions relating to Central Intelligence Agency contracts by representatives of the Central Intelligence Agency.
 - d. All documents relating to Central Intelligence Agency contracts, including auditors' work papers, relating to or supporting the findings of an audit (other than general work papers not identified with Central Intelligence Agency and encompassing contracts other than Central Intelligence Agency contracts) will be turned over to the Office of the Comptroller, Central Intelligence Agency, upon final settlement of a contract.

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**Use of Facilities of Department of Defense to Audit
Contracts Negotiated by Central Intelligence Agency**

Information regarding the findings of an audit or access to work papers or other information will not be permitted to any individual or other Governmental agency except upon the specific approval of the Central Intelligence Agency. Upon transfer of the work papers to Central Intelligence Agency by a departmental audit agency, the audit agency will be relieved of those responsibilities normally incident to the physical control of such documents.

e. Central Intelligence Agency agrees to reimburse the cognizant department conducting audits for it under this agreement upon receipt of billings upon a mutually agreeable basis.

3. If the above arrangements and commitments are acceptable to the Department of Defense, it will be appreciated if approval and acceptance are indicated by signing and returning the original copy of this memorandum. The additional signed copy is for your files.

FOR THE DIRECTOR OF CENTRAL INTELLIGENCE

SIGNED

L. E. WHITE
Deputy Director

APPROVED AND ACCEPTED:

25X1A

(S) [Redacted]
for **W. J. McNEIL**
Assistant Secretary of Defense
(Comptroller)

CONTINUED:

Office of General Counsel 25X1A9a

25X1A [Redacted]
Comptroller

Director of Logistics

Date _____

Date 12 AUG 1958

AUG 3 1958

Date _____

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Sheffield Edwards

Date 8 Aug. 58

Director of Security

(S) L. R. Nauster, General Counsel

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